



# ***OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT***

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**MEETING DATE:** 2-27-14

**CONTROL  
NO:**

**ITEM NO: 4**

**SUBJECT:** RESOLUTION NO. OB 14-30

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JULY 1, 2014 THROUGH DECEMBER 31, 2014, AND TAKING CERTAIN RELATED ACTIONS

**FROM:** Successor Agency to the Artesia Redevelopment Agency

**PRESENTATION BY:** Justine Menzel, Deputy Executive Director

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## ***RECOMMENDATION***

Approval of ROPS for July 1, 2014 through December 31, 2014.

## ***BACKGROUND***

Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period (commencing each January 1 and July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for review.

## ***Deadlines for ROPS Submission and Review***

The Redevelopment Dissolution Law does not specify a deadline for the Successor Agency to submit the ROPS for July 1, 2014 through December 31, 2014 ("ROPS 14-15A") to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS 14-15A to the DOF, the Office of the State Controller and the County Auditor-Controller no later than **March 3rd, 2014**. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS 14-15A may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board.

### **Penalties for Failure to Make Timely Submission**

If the Successor Agency does not submit an Oversight Board-approved ROPS by March 3, 2014, the City of Artesia will be subject to a civil penalty of \$10,000 per day for every day that the ROPS is not submitted to the DOF. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit a ROPS, creditors of the successor agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit a ROPS within 10 days of March 3rd, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations," the DOF may determine whether the County Auditor-Controller should distribute any of property tax revenues to the taxing entities, or whether any amount should be withheld for enforceable obligations pending approval of the ROPS. It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations".

### ***FISCAL IMPACT***

The preparation and submittal of ROPS 14-15A is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from July 1, 2014 to December 31, 2014.

### ***BOARD ACTION***

Staff recommends that the Oversight Board for the Successor Agency to the Artesia Redevelopment Agency adopt Resolution No. OB 14-30, approving the Recognized Obligation Payment Schedule for the six-month fiscal period from July 1, 2014 through December 31, 2014 and taking certain related actions.

### ***ATTACHMENT***

Resolution No. OB 14-30

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

|                           |             |
|---------------------------|-------------|
| Name of Successor Agency: | Artesia     |
| Name of County:           | Los Angeles |

| Current Period Requested Funding for Outstanding Debt or Obligation                           |  | Six-Month Total |
|---|--|-----------------|
| Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding |  |                 |
| A   | Sources (B+C+D):   | \$ 250,000      |
| B   | Bond Proceeds Funding (ROPS Detail)                      | 250,000         |
| C   | Reserve Balance Funding (ROPS Detail)                    | -               |
| D   | Other Funding (ROPS Detail)                              | -               |
| E   | Enforceable Obligations Funded with RPTTF Funding (F+G): | \$ 826,491      |
| F   | Non-Administrative Costs (ROPS Detail)                   | 637,785         |
| G   | Administrative Costs (ROPS Detail)                       | 188,706         |
| H   | Current Period Enforceable Obligations (A+E):            | \$ 1,076,491    |

| Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding |  |            |
|--|--|------------|
| I  | Enforceable Obligations funded with RPTTF (E):                             | 826,491    |
| J  | Less Prior Period Adjustment (Report of Prior Period Adjustments Column S) | -          |
| K  | Adjusted Current Period RPTTF Requested Funding (I-J)                      | \$ 826,491 |

| County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding |   |         |
|--|---|---------|
| L  | Enforceable Obligations funded with RPTTF (E):                              | 826,491 |
| M  | Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA) | -       |
| N  | Adjusted Current Period RPTTF Requested Funding (L-M)                       | 826,491 |

Certification of Oversight Board Chairman:  
Pursuant to Section 34177(m) of the Health and Safety code, I  
hereby certify that the above is a true and accurate Recognized  
Obligation Payment Schedule for the above named agency.

|                        |                |
|------------------------|----------------|
| _____<br>Name          | _____<br>Title |
| /s/ _____<br>Signature | _____<br>Date  |

**Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail**  
**July 1, 2014 through December 31, 2014**  
 (Report Amounts in Whole Dollars)

[illegible]

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances  
(Report Amounts in Whole Dollars)

| Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. |  |                                    |                                   |  |   |                              |                     |   |
|---|--|------------------------------------|-----------------------------------|--|---|------------------------------|---------------------|---|
| A   | B  | C                                  | D                                 | E  | F   | G                            | H                   | I   |
|   | Cash Balance Information by ROPS Period  | Fund Sources                       |                                   |  |   |                              |                     | Comments  |
|   |  | Bond Proceeds                      |                                   | Reserve Balance                                      |   | Other                        | RPTTF               |   |
|   |  | Bonds Issued on or before 12/31/10 | Bonds Issued on or after 01/01/11 | Prior ROPS period balances and DDR balances retained | Prior ROPS RPTTF distributed as reserve for next bond payment | Rent, Grants, Interest, Etc. | Non-Admin and Admin |   |
| ROPS 13-14A Actuals (07/01/13 - 12/31/13)   |  |                                    |                                   |  |   |                              |                     |   |
| 1   | Beginning Available Cash Balance (Actual 07/01/13)<br>Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)        | 7,229,923                          |                                   | 516,045  |   |                              |                     |   |
| 2   | Revenue/Income (Actual 12/31/13)<br>Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013             | 7,156                              |                                   |  |   |                              | 692,413             |   |
| 3   | Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13)<br>Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs               | 2,676,998                          |                                   |  |   |                              | 692,413             |   |
| 4   | Retention of Available Cash Balance (Actual 12/31/13)<br>Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A | 4,560,081                          |                                   | 516,045  |   |                              |                     |   |
| 5   | ROPS 13-14A RPTTF Prior Period Adjustment<br>Note that the RPTTF amount should tie to column S in the Report of PPAs.  | No entry required                  |                                   |  |   |                              | -                   |   |
| 6   | Ending Actual Available Cash Balance<br>C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)  | \$ -                               | \$ -                              | \$ -   | \$ -  | \$ -                         | \$ -                |   |
| ROPS 13-14B Estimate (01/01/14 - 06/30/14)  |  |                                    |                                   |  |   |                              |                     |   |
| 7   | Beginning Available Cash Balance (Actual 01/01/14)<br>(C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)  | \$ 4,560,081                       | \$ -                              | \$ 516,045   | \$ -  | \$ -                         | \$ -                |   |
| 8   | Revenue/Income (Estimate 06/30/14)<br>Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014        | 7,000                              |                                   |  |   |                              | 601,935             |   |
| 9   | Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)  | 2,098,146                          |                                   | 130,634  |   |                              | 601,935             | DOF approved \$732,569 RPTTF funding, however only received \$601,935. Therefore, \$130,634 from DDR retained balance is estimated to be used to cover the shortfall. |
| 10  | Retention of Available Cash Balance (Estimate 06/30/14)<br>Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B      | 2,468,935                          |                                   | 385,411  |   |                              |                     |   |
| 11  | Ending Estimated Available Cash Balance (7 + 8 - 9 -10)  | \$ -                               | \$ -                              | \$ -   | \$ -  | \$ -                         | \$ -                |   |



|   |
|---|
| <p align="center"><b>Recognized Obligation Payment Schedule 14-15A - Notes</b></p> <p align="center">July 1, 2014 through December 31, 2014</p> |
|---|

| Item # | Notes/Comments |
|--------|----------------|
|--------|----------------|

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## **RESOLUTION NO. OB 14-30**

### **A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JULY 1, 2014 THROUGH DECEMBER 31, 2014, AND TAKING CERTAIN RELATED ACTIONS**

#### **RECITALS:**

A. Pursuant to Health and Safety Code Section 34177(l), the Successor Agency to the Artesia Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the Oversight Board for the Successor Agency (the "Oversight Board") for approval.

B. Pursuant to Health and Safety Code Section 34177(l)(2)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the six-month fiscal period from July 1, 2014 through December 31, 2014 ("ROPS 14-15A"), to the State Department of Finance (the "DOF"), the Office of the State Controller, and the County Auditor-Controller no later than March 3, 2014; and (2) post a copy of the Oversight Board-approved ROPS 14-15A on the Successor Agency's website.

### **NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves proposed ROPS 14-15A, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS 14-15A to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS 14-15A on the Successor Agency's Internet website (being a page on the Internet website of the City of Artesia).

Section 3. The members of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken are hereby ratified and confirmed.

**PASSED, APPROVED AND ADOPTED** this 27th day of February, 2014.



AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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William A. Holt, CHAIR

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Gloria Considine, SECRETARY  
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE  
ARTESIA REDEVELOPMENT AGENCY

**EXHIBIT A**

**SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
(July 1, 2014 through December 31, 2014)**